

**BOARD OF ECONOMIC DEVELOPMENT  
GOED CONFERENCE ROOM, 711 E WELLS AVE, PIERRE, SD  
TUESDAY, MAY 9, 2017, 9:30 A.M. CT**

Members Present

Chairman Jeff Erickson, Dale Clement, Tony Klein, Sharon Casey, John Calvin, Mike Luken, Ted Hustead, Don Kettering, Pat Prostrollo, Tom Jones, Reed Kessler and Billie Sutton

Staff Present

Commissioner Scott Stern, Deputy Commissioner Aaron Scheibe, Cassie Stoeser, Ashley Moore, Katelyn Hump, Cassidy Kulesa, Joe Fiala, Natalie Likness and Dale Knapp

Other Staff Present

Sam Helma - BankWest, Inc.

Call to Order

Chairman Erickson called the meeting to order at 9:35 a.m.

Agenda

A motion was made by Pat Prostrollo and seconded by Tony Klein to approve the agenda as presented.

Motion passed by a roll call vote.

Minutes

A motion was made by Don Kettering and seconded by Dale Clement to approve the minutes of the meetings held April 11, 2017 and May 1, 2017, as presented.

Motion passed by a roll call vote.

Conflicts Disclosure

Chairman Erickson opened the floor for committee members to identify potential conflicts under SDCL Chapter 3-23. The Chairman opened up the floor for questions and discussion concerning the potential conflicts; there were none from board members and no objection to proceeding with the agenda.

Executive Session

A motion was made by John Calvin and seconded by Sharon Casey to enter into executive session at 9:52 a.m. to discuss contract matters and commercial and financial information relating to loan and other assistance to applicants.

Motion passed by a roll call vote.

Executive Session Report

The Chairman declared the board out of executive session at 10:30 a.m. The Chairman reported that the Board of Economic Development entered into Executive Session to discuss contract matters and commercial and financial information relating to loan and other assistance to applicants. No action was taken.

A motion was made by Mike Luken and seconded by Pat Prostrollo to approve the chairman's report from executive session.

Motion passed by a roll call vote.

### Loan Review Summary

#### Harbor Group Investments, LLC and Watertown Development Company/Nutting

A motion was made by Don Kettering and seconded by Sharon Casey to approve the loan reviews and recommendations as presented.

Motion passed by a roll call vote.

### Old Business

#### Heart of the Hills Development Corporation

A motion was made by Dale Clement and seconded by Ted Hustead to deny an exemption waiver for the 2017 GOED Annual Conference.

Motion passed by a roll call vote

#### Moffatt Products, Inc.

A motion was made by Pat Prostrullo and seconded by Mike Luken to approve the assumption request and ass an additional corporate guarantor.

Motion passed by a roll call vote.

#### Sioux Falls Development Foundation

A motion was made by Pat Prostrullo and seconded by Don Kettering to approve the collateral release as presented.

Motion passed by a roll call vote.

### New Business

#### Natural Dakota Soy, LLC

A motion was made by Mike Luken and seconded by John Calvin to approve the loan request from Natural Dakota Soy, LLC in the amount of \$495,000. Secured by a shared first position on the financed assets, the limited personal guarantees of a principals with 10% or more ownership and a limited corporate guaranty.

The loan is approved according to the terms and conditions of the commitment letter; all documents may be executed on behalf of the Board by the Commissioner of the Governor's Office of Economic Development or the Commissioner's designee.

#### Reinvestment Payment Program

##### SD Sun, LLC and SD Sun II, LLC

A motion was made by Pat Prostrullo and seconded by Ted Hustead to approve the Reinvestment Payment application to SD Sun, LLC and SD Sun II, LLC as recommended by staff in the board packet.

##### SD Sun, LLC

Based on the representations and project description contained in the application for reinvestment payment, including but not limited to the representations concerning jobs created or retained and wages and benefits to be paid, a new or expanded facility reinvestment payment of \$742,797, but not to exceed seventy percent of State Sales/Use Tax paid on eligible project costs, is approved for SD Sun, LLC. The project as completed must be substantially similar to the project described in the application and must comply with the deadlines set out SDCL Ch. 1-16G and ARSD Ch. 68:02:07. The board has considered the factors set out in SDCL 1-16G-59 and ARSD 68:02:07:04 and the likelihood the project would not be located in South Dakota absent the reinvestment payment. Staff is authorized to issue a permit consistent with the application, this approval and the applicable provisions of SDCL Ch. 1-16G and ARSD Ch. 68:02:07.

### SD Sun II, LLC

Based on the representations and project description contained in the application for reinvestment payment, including but not limited to the representations concerning jobs created or retained and wages and benefits to be paid, a new or expanded facility reinvestment payment of \$742,797, but not to exceed seventy percent of State Sales/Use Tax paid on eligible project costs, is approved for SD Sun II, LLC. The project as completed must be substantially similar to the project described in the application and must comply with the deadlines set out SDCL Ch. 1-16G and ARSD Ch. 68:02:07. The board has considered the factors set out in SDCL 1-16G-59 and ARSD 68:02:07:04 and the likelihood the project would not be located in South Dakota absent the reinvestment payment. Staff is authorized to issue a permit consistent with the application, this approval and the applicable provisions of SDCL Ch. 1-16G and ARSD Ch. 68:02:07.

Motion passed by a roll call vote.

### Bills

A motion was made by Don Kettering and seconded by Sharon Casey to approve the bill payable to May, Adam, Gerdes & Thompson LLP in the amount of \$4,277.50.

Motion passed by a roll call vote.

### Adjourn

A motion was made by Tony Klein and seconded by Dale Clement to adjourn the meeting at 10:38 a.m.

Motion passed by a roll call vote.



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Dale Clement, Secretary or  
Tony Klein, Treasurer